

27 AUGUST 2018

ANNUAL RESULT

Group revenue: NZ\$35.8m

NPAT: NZ\$4.8m

NPAT attributable to NZO shareholders: \$0.8m

Cash on hand: \$98.0m

New Zealand Oil & Gas has recorded a net profit after tax of NZ\$4.8 million for the year ended 30 June 2018 compared to a net loss last year on a like-for-like basis of \$32.7 million.¹

Revenue for the 2017-18 year was \$35.8 million [\$37.1 million in the prior corresponding period.]

The contributors to revenue were production from Kupe of \$9.2 million and Cue Energy's production of NZ\$26.6 million.

Net asset backing is \$0.90 per share.

Chief executive Andrew Jefferies says operational activities in the 2017-18 year were modest and the company is looking to change scale.

"Backed by the global capability of our major shareholder, O.G. Oil & Gas (Singapore) Pte Ltd, and with NZ\$98.0 million cash, New Zealand Oil & Gas has entered an exciting new growth phase.

"We are actively pursuing acquisition targets, screening non-operated assets where we can add value. We see natural gas assets in many markets replacing higher carbon fuel sources as the world undergoes a decades-long energy transformation. But the world still needs energy and we will step in where we identify quality," Andrew Jefferies said.

"In the current quarter we will be drilling onshore in Taranaki at Kohatukai.

"We continue to market our two transformational prospects off the South Island's east coast. During the year we published a study that showed a discovery would have compelling commercial potential. The government has provided written assurance that our existing exploration rights will be preserved and, in the event of a discovery, development would be assessed under existing rules.

"In Australia the permit for the large Ironbark prospect has been officially extended and work is ongoing to progress towards drilling.

"While we are aiming to grow through exploration and acquisition, our revenue is covering our outgoings. Our investment in the producing Kupe gas field offshore Taranaki is small, but it is a reliable earner sufficient to cover our corporate overheads. Corporate overheads at the Cue subsidiary were covered by its revenue during the year."

¹ Last year the company declared a net profit after tax of \$52.6 million, which included a one-off gain on sale of a 15 per cent interest in Kupe gas production. The like-for-like figure excludes this item.

The profit attributable to shareholders for the year to 30 June 2018 was NZ\$0.8 million, compared to the prior period when the net loss attributable to New Zealand Oil & Gas shareholders was \$22.6 million [excluding one off impact of discontinued operations.]

New Zealand Oil & Gas will not declare a dividend this year as the company embarks on a growth trajectory.

For further information please contact:

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